

from liability for the payment of costs and expenses of certain suits; and generally relating to the requirements and procedures for providing certain forms of security with respect to certain public works contracts.

BY repealing and reenacting, with amendments,

Article - Real Property
Section 9-113
Annotated Code of Maryland
(1974 Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Real Property

9-113.

(a) Before any contract exceeding [five thousand dollars (\$5,000)] \$25,000 in amount, for the construction, alteration, or repair of any public building or public work or improvement of the State of Maryland, or of any county, city, municipal corporation, town, board of education or other political subdivision, public authority, or public instrumentality, or any officer, board, commission, or agency of any of the foregoing, is awarded to any person, [he] ~~AND---UNLESS---OTHER---SECURITY---SATISFACTORY---TO---THE CONTRACTING-AUTHORITY-HAS-BEEN-PROVIDED,~~ THAT PERSON shall furnish to the State of Maryland, or to such county, city, municipal corporation, town, or other political subdivision, public authority, or public instrumentality, or to such officer, board, commission, or agency thereof, the following bonds which shall become binding upon the award of the contract to such person, who is hereinafter designated as "contractor":

(1) A performance bond executed by a surety company authorized to do business in this State, OR THE EQUIVALENT IN CASH, OR OTHER SECURITY satisfactory to the public body awarding the contract, and in such amount as it shall deem adequate, for the protection of the public body.

(2) A payment bond executed by a surety company authorized to do business in this State, OR THE EQUIVALENT IN CASH, OR OTHER SECURITY satisfactory to the public body for the protection of all persons supplying labor and materials, including lessors of equipment to the extent of the fair rental value thereof, to the contractor or his subcontractor in the prosecution of the work provided for in the contract for the use of each such person. The bond shall be in the amount not less than fifty per centum (50%) of the total amount payable by the terms of the contract. Any contractor covered by such a bond shall not be required to